



Transforming organisations for a sustainable future

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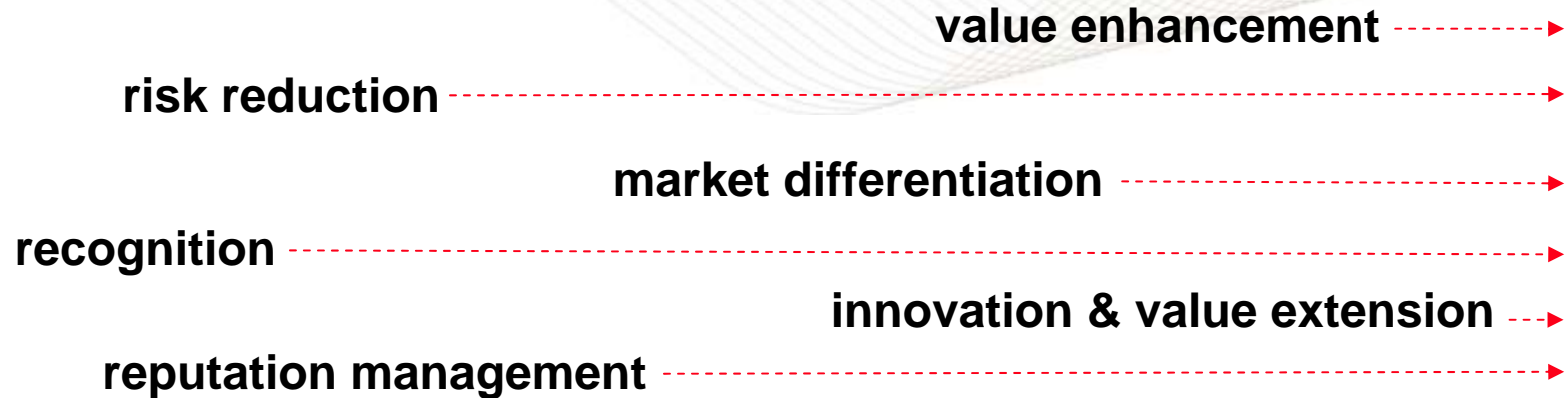
Wednesday, 8 October 2008

The risk of doing nothing



Westpac's sustainability journey – the agenda

strategic agenda



1998

2008

operational agenda

- governance & principles for doing business
- external reporting, measurement & verification
- stakeholder engagement

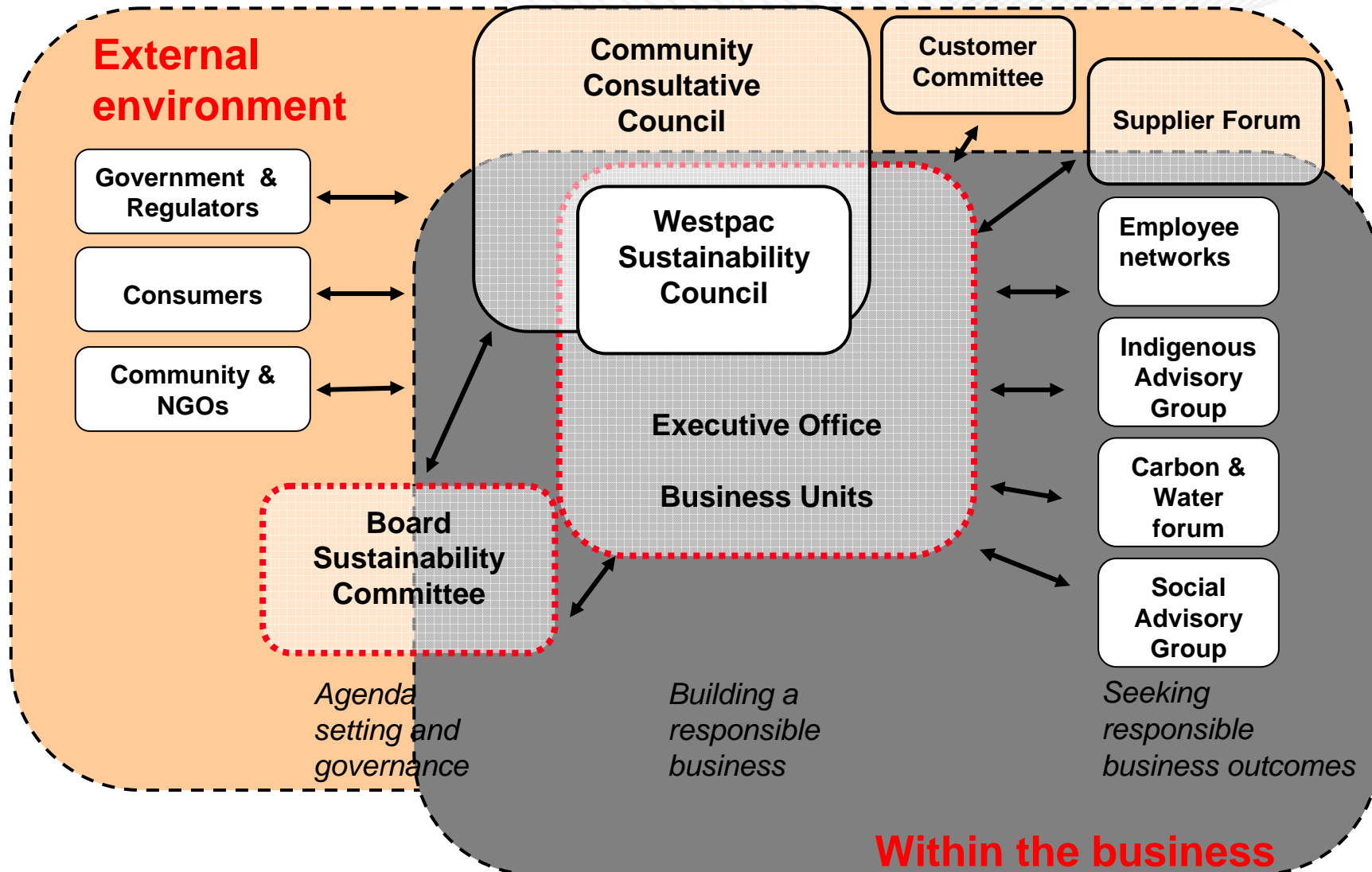
- refinement of business model
- sustainable supply chain management
- environmental management and performance

- systematic embedding
- extend value via brand, products and services
- risk optimization and focus on materiality

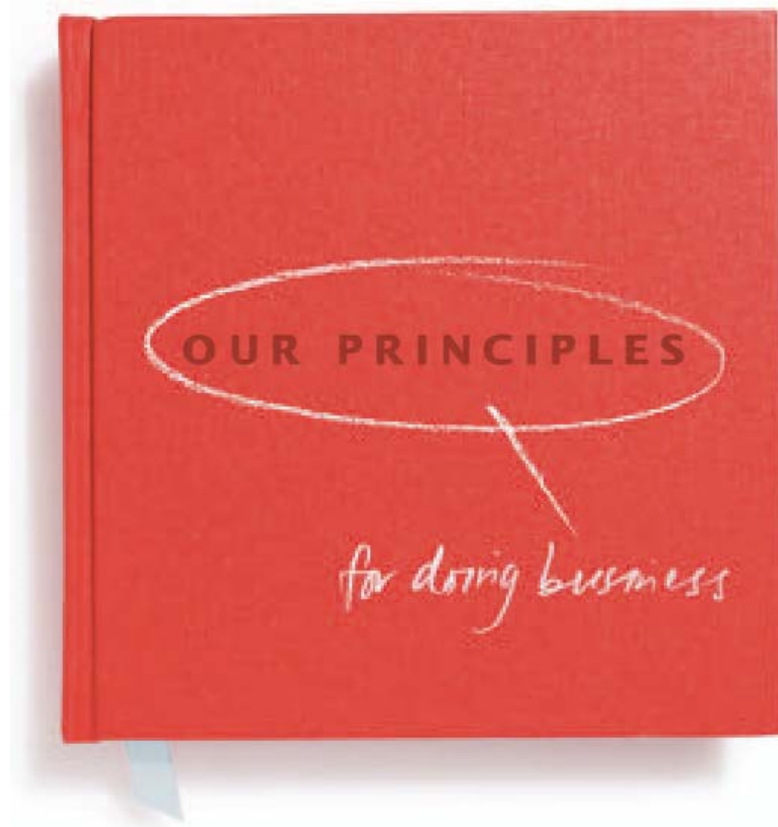
The Value agenda and Values agenda

- At Westpac sustainability means thinking broadly about risk and opportunity
- Doing the right thing, behaving in a responsible, ethical and trustworthy manner
- Rethinking what matters

1. Engage stakeholders



2. Work out what you stand for



Westpac's ***Principles for Doing Business:***

- Governance & ethical conduct
- Customer principles
- Employee practices & human rights
- Environment
- Community involvement
- Supply chain management

3. Measure, Manage & Report what matters

Comprehensive internal metrics



Extended performance reporting



External assessment and benchmarking

- Multidimensional performance metrics
- Underlying financial drivers
- Brand & stakeholder perceptions
- Workplace health & culture
- Risk monitoring & reporting
- Environmental and social impacts



CARBON DISCLOSURE PROJECT



Westpac

Australia's First Bank

Become an advocate for sustainability

<p>26 CUSTOMERS</p>  <p>HOW ARE WE SHOWING THE WAY?</p> <p>04 ADVOCACY CUSTOMERS</p> <h2>Campaign for change.</h2> <p>It's a well known paradox. Ask them and consumers tell you they want to do the right thing – but that doesn't always translate into the goods and services they buy. And similarly, it's a fine line between building a brand for sustainability – and being accused of greenwash. Here Mark Sareff from Westpac's advertising agency The Campaign Palace talks about walking that line.</p>	<p>2006 STAKEHOLDER IMPACT REPORT 27</p>  <p>CONSUMER FAITH in the institutions people used to look to for leadership has declined dramatically. They feel they can no longer look with confidence to governments, the church, the civil service, the media, the police or the legal system. This global phenomenon is replicated in Australia. It is time for companies to step into the breach and show the leadership people crave and increasingly expect of them.</p> <p>Increasingly, Australians are scrutinizing the companies they do business with – interrogating them for their beliefs, values, ethics and behaviour as never before – and expecting them to show leadership. They are increasingly concerned about the products and services they sell but also about the behaviour of those companies toward their local community, the environment, their employees, etc. It is no longer good enough to make and sell a quality product/service. It is not sufficient to attach yourself to a cause. Today's cynical, marketing-savvy consumers can see through mere brand espousal (claims about what we do or think) and they are looking at the sum total of an organisation's actions.</p> <p>When we were invited to provide a recommendation to Westpac and started interviewing internal stakeholders, it soon became evident that Westpac's behaviour is quite exceptional. It was immediately apparent that this was an organisation brand behaving extraordinarily well. Whilst Westpac had been anxious to avoid chest-beating we believed this modesty needed to be balanced with customers' desire to know more (from man-in-the-street to the big end of town). It was our view that Westpac had 'hidden its light under a bushel'.</p> <p>Clearly, the wide range of behaviours – from its maternity leave provisions through the rescue helicopter sponsorship to the less obvious (actually quite stunning) Equator Principles to its exemplary assessment on the Dow-Jones Sustainability Index – represented a story which needed to be told.</p> <p>We took these stories to consumer research. Informed by Westpac's Brand Purpose: "Building better lives for all Australians", we had developed the consumer-facing creative idea "Every generation should live better than the last". This is more than a typical advertising end-line. It is an idea for the brand which both summarises the Bank's ethos and also provides guidance for future direction.</p> <p>This idea as brought to life in the very first advertisement in the new campaign – the announcement of Westpac's commitment to the Equator Principles – has met with an astounding response. It is early days yet, but Westpac has been inundated with requests for more information. Respected marketing commentators have praised Westpac both for the communication and more importantly for the behaviour it announced. Branches have fielded requests for more information – confirmation that for many people, the concept of a brand behaving well is more than nice to do, it's essential. •</p>
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The big lessons

- Suspend short-termism – embrace good management
- Bring principles and values to centre stage
- Empower people to do the right thing
- Take leadership on key issues
- Engage stakeholders
- Measure, assure & report
- Actively advocate for change



Westpac

Australia's First Bank